

Honolulu, Hawaii

March 20, 2013

RE: S.B. No. 120
S.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 120, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to authorize the Public Utilities Commission to establish a policy to implement specified economic incentives and cost recovery regulatory mechanisms, as necessary and appropriate, to:

- (1) Induce and accelerate electric utilities' cost reduction efforts;
- (2) Encourage greater utilization of renewable energy;
- (3) Accelerate the retirement of utility fossil fuel electric generation infrastructure; and
- (4) Increase investments to modernize the State's electrical grid.

The Department of Business, Economic Development, and Tourism; Public Utilities Commission; Blue Planet Foundation; and Sierra Club, Hawai'i Chapter provided testimony in support of this measure. Life of the Land and a few individuals provided testimony in opposition to this measure. The Division of Consumer



Advocacy of the Department of Commerce and Consumer Affairs and an individual provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



